COMMISSIONERS
JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES



BRIAN C. McNEIL Executive Secretary

ARIZONA CORPORATION COMMISSION

June 21, 2005

The Honorable Jeff Flake The U.S. House of Representatives 424 Cannon House Office Building Washington, D.C. 20515

VIA FACSIMILE

Dear Congressman Flake:

You made my trip to Washington D.C. especially pleasant. Thank you for sharing your views of America's energy needs. The very next day I toured one of the Northeast's largest LNG facilities at Cove Point and followed the route the gas takes to market.

We share the same desire to expand existing conventional resources, including new generation nuclear power and clean coal technologies. Nuclear power has been ignored for decades and should be considered as a viable clean alternative to fossil fuels.

On the plane we talked about your Trinidad trip. You spurred me to look closer at who would deliver LNG to the Southwest. Trinidad produces only 4% of the world's total LNG exports and would not likely be used to supply the LNG terminals planned on the West Coast. In fact, the Shell LNG Project in Baja Mexico reports its supplies will come from Russia, Malaysia, Indonesia and Australia.

Clearly, we need to be concerned about expanding our reliance on foreign LNG. Many of the world's top exporters of LNG (Indonesia, Algeria, Malaysia and Nigeria) are politically and economically unstable. Strategically, LNG vessels would be hard to protect. More importantly, the USA could be held hostage by threats of supply curtailments or outright embargos.

As you deliberate the Energy Bill, I'm hoping you will champion USA-based energy alternatives such as nuclear power that will yield Americans affordability and security.

- Latch-Miller

Sincerely,

Jeff Hatch-Miller

Chairman